

Project Docket No. GS06--688<sup>8</sup>/E6472  
Mesaba Energy Project

It has been suggested that the Nashwauk PUC would supply the natural gas for the Mesaba Project if the West Range site were chosen. As per Minnesota Session Laws 1997-Chapter 21.SF504, (see Exhibit A) Nashwauk does not have the legal authority to supply the natural gas outside of the "Nashwauk newly acquired area". Therefore, Excelsior Energy will have to become it's own utility or will have to find another retail supplier of natural gas.

If the route taken for Excelsior's pipeline is the one shown in the permit application as alternative 1 (preferred), it will mostly parallel Nashwauk's preferred route. Nashwauk's pipeline application asks for an initial 70 ft. ROW with an additional 30-ft. cleared for a workspace. If Excelsior does the same, that will cause a strip of land 200 ft. wide to be cleared. This would mean the loss of wildlife habitat and CO2 sequestration on 290.0 acres of land with 145.5 acres of this attributed to the Mesaba Project.

In some instances the natural gas pipeline would deprive landowners of the right to build or put their septic systems on their open spaces. The EIS does not take into consideration the fact that additional land would have to be cleared to allow for homes and septic systems to take the place of the open land utilized by the pipeline.

The EIS does not mention that the blast area for a 24-inch natural gas pipeline is 500 ft. They only mention homes within 300 ft. of the proposed line. With this knowledge, future homebuilders will have to clear areas for the construction of homes beyond 500 ft. from the pipeline for safety reasons.

No one can say that these natural gas lines won't explode. The Panhandle Eastern pipeline explosion near Springfield, Illinois on April 29, 2007 is but one example of the danger. Another example was the explosion of a 36-inch line in the front yard of the Burbee home in rural Deer River a few years ago. In any case, this danger could cause additional land to be cleared, causing more loss of habitat for wildlife and loss of trees for CO2 sequestration.

There are other possible routes that could be taken that would have less of an impact on wildlife and humans. One route is a route submitted by Michael Karna, 21205 Bluebird Drive, Grand Rapids, MN to the D.O.C. for consideration in the Nashwauk PUC application. This route follows mostly county tax forfeit land (nine sections) and an existing HVTL ROW (see Exhibit B attached). There are wetlands involved, but pipelines have always been able to overcome any difficulty wetlands present.

Another route would be to follow a HVTL ROW from a connecting point on the GLG 36-inch natural gas lines just north of US Highway 2 at Cohasset. It could then follow the HVTL that connects the MP Clay Boswell plant to the old Butler Tac site (now MSI). In addition to the following of an existing ROW, it would avoid crossing the ore body.

I have included as "Exhibit C" a copy of the "Citizen's Advisory ~~Committee~~" report for the proposed "Nashwauk-Blackberry Natural Gas Pipeline", proposed by the Nashwauk PUC which was ~~supposed~~ to parallel the proposed Mesaba Project Pipeline. It discusses

five possible alternative routes, and a sixth route has since been identified and added to the list.

It should be noted that in an Excelsior Energy press release dated 8/29/05, it says, under "Advantages of the Preferred Site", "The site...is located in close proximity to existing infrastructure, including adequately sized natural gas pipelines...". This statement is just another example of spin that Excelsior Energy will put on facts to make them fit the Project.

At a recent meeting of the Itasca County Planning and Zoning, a subcommittee was formed, that included John Engesser of the Minnesota DNR Mines and Minerals Division and several mining engineers. Their mission was to identify the exact location of the <sup>iron</sup>ore body, and to devise a map to be implemented in a mine overlay district. The object of the mine overlay district is to prevent development over the <sup>iron</sup>ore body in order to preserve the land for future mining.

Through test borings and other data it was shown that the next and only logical place for mining in the near future would be in the area starting at the old Arturas mine (just east of Scenic Highway #7) and traversing west to the Canesteeo mine pit. (See Exhibit D, attached) This means that the Mesaba Project's infrastructure, railroad spur, process water lines, potable water lines, waste water lines and HVTL, all would interfere with the mining in the area.

I have included in "Exhibit D" a report that was done by members of the Natural Resources Research Institute and Richard Ojakangas of the Department of Geological Sciences, University of Minnesota, Duluth. It states that, "Even though access to the mineral resource itself is crucial, attention must also be paid for keeping land available for things like ancillary facilities, tailings basins, and stockpiles including land north of the iron-formation where the bedrock is Archean granite". Since the Mesaba Project itself was planned in close proximity to and north of the iron ore body, it would jeopardize the ability to mine that area, depriving the state, county, and schools of badly needed funds. Putting this information along with the fact that they can't sequester CO2 in this area, it reinforces a statement made by MPUC Chair Leroy Koppendrayner, "You're in the wrong place".

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